

# Gazette.Net

Maryland Community News

---

*Published: Tuesday, March 10, 2015*

**Silver Spring work space shows how office landscape is changing** *by [Kevin James Shay](#) Staff writer*

A little more than a year ago, Social & Scientific Systems completed an office consolidation, reducing its space in a downtown Silver Spring building about 20 percent.

The company — which works largely with health agencies in the federal government in clinical, epidemiology and health policy research — added shared offices and more cubicles, and reduced the number of hallways and offices. Its roughly 380 employees in Silver Spring once occupied five floors in the Georgia Avenue building, and now are on four.

“People are getting more used to sharing space,” said Mona Feldman, the company’s communications director. “The number of employees who telecommute has increased.”

Social & Scientific’s office space reduction is part of a wider trend being carried out by many companies to respond to changes, make workplaces more efficient and help cut costs. To get a better idea of the situation and figure out how to respond, county planners are reviewing the trends.

Staff members are scheduled to brief the Montgomery County Planning Board about office and job market changes on Thursday. Then, on March 19, representatives from Partners for Economic Solutions are slated to speak about a study the consulting firm did on the local office market.

The countywide commercial office vacancy rate climbed to 14.8 percent in the second quarter of 2014, according to the county planning department’s most recent report on office space. That’s up from 13.7 percent a year earlier and about twice as high as in 2007.

Some 10.8 million square feet of office space was available in the county as of June 2014, a 9 percent increase from a year earlier.

The office vacancy rate in most surrounding jurisdictions was even higher, including 19.4 percent in Prince George’s County, 20.8 percent in Arlington, Va., and 16.3 percent in Fairfax County. Washington, D.C., and Frederick County were the only two regional jurisdictions to have lower rates than Montgomery — 10.7 percent and 12.2 percent, respectively.

“Adding to concerns over the local office market is that an unknown amount of leased space is not actually being used, nor is it being offered for sublease by tenants,” the report says. “This ‘shadow vacancy’ is a barometer of future office market conditions, but is not tracked by commercial real estate data sources.”

The average office rent per square foot in Montgomery declined slightly to \$27.84, from \$28.09. Average rents varied from a high of \$49.64 in Washington, D.C., to a low of \$20.58 in Prince George’s.

Numerous developers are seeking changes of land zoned for office to retail, residential or a mixed use. The retail vacancy rate in the county is much lower, at 4.6 percent in 2013.

Among those is Silver Spring-based Lee Development Group for property on Connecticut Avenue in Aspen Hill that is zoned for office and includes a vacant 265,000-square-foot building.

The building has been vacant for almost five years since defense and aerospace contractor BAE Systems moved out, despite “our earnest efforts” to find another office tenant, Bruce H. Lee, president of Lee Development, said at a recent County Council public hearing. The building was first occupied five decades ago by Vitro Corp., which became part of BAE.

“The latest CoStar [commercial real estate] data shows office vacancy over 30 percent in a five-mile radius of our property,” Lee said.

He seeks a change in zoning to neighborhood retail, which the Planning Board recommended. Many nearby residents prefer commercial residential neighborhood zoning, which they said would not allow as big retailers there.

A council committee reviewed the issue March 2, and the full council is expected to consider it soon.

[kshay@gazette.net](mailto:kshay@gazette.net)

© 2015 Post Community Media, LLC/Gazette.Net